

Message Text

CONFIDENTIAL

PAGE 01 STATE 299224
ORIGIN EA-12

INFO OCT-01 ISO-00 ONY-00 /013 R

DRAFTED BY EA/TIMBS:STAFF
APPROVED BY EA/TIMBS: ROBERT E. FRITTS
DESIRED DISTRIBUTION
EA ONLY

-----058153 151735Z /23

R 151606Z DEC 77
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
INFO CINCPAC
XMT AMEMBASSY SUVA

C O N F I D E N T I A L STATE 299224

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS:

SUBJECT: WEEKLY STATUS REPORT - EA/TIMBS

INDONESIA

INDO-PAC LNG DECISION AND SADLI - CONFIDENTIAL

DEPT OF ENERGY HAS STILL NOT ANNOUNCED ITS DECISION ON THE
INDO-PAC LNG INSTALLATION PLANNED FOR CALIFORNIA. LACK OF
PROGRESS ON GAS PRICING IN CURRENT CONGRESSIONAL DEBATE ON
ENERGY IS APPARENTLY MAIN REASON FOR DELAY. MEANWHILE, WE
ARE ATTEMPTING TO SECURE APPOINTMENT FOR MINISTER SADLI
WITH SECRETARY SCHLESINGER IF SADLI VISIT TO WASHINGTON
TAKES PLACE AFTER CHRISTMAS. AT MOMENT, TREASURY ASST
SECRETARY BERGSTEN HAS TENTATIVELY AGREED TO SEE SADLI AT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 299224

1000 DEC 27.

INDONESIAN ECONOMIC PERFORMANCE CONTINUES STRONG - CONF

EMBASSY JAKARTA REPORTS THAT INDONESIAN ECONOMY HAS BEEN
GOOD DURING LAST EIGHT MONTHS. FOREIGN EXCHANGE RESERVES
JUMPED TO 2.7 BILLION DOLS AT END OF OCTOBER WITH RECEIPT

OF QUARTERLY CALTEX PAYMENT. OIL EXPORTS WERE UP 24 PERCENT BY MID-YEAR BUT IMPORTS UP ONLY 16 PERCENT. NEVERTHELESS, BECAUSE OF RECENT LARGE GOI COMMERCIAL PURCHASES OF RICE (900,000 TONS MORE THAN PLANNED) AND EXPECTED PREPAYMENT OF MORGAN GUARANTY LOANS, EMBASSY EXPECTS YEAR-END RESERVES WILL BE DOWN TO 2.15 BILLION DOLS FROM CURRENT HIGHS. MORE NEEDS TO BE DONE IN TERMS OF INCREASING GOVERNMENT RECEIPTS, STRENGTHENING TAX COLLECTION SYSTEMS AND STIMULATING PRIVATE INVESTMENT, BUT EMBASSY BELIEVES GOI IS ADDRESSING THESE ISSUES ALTHOUGH SOLUTION WILL TAKE TIME.

AMBASSADOR MASTERS PRESENT CREDENTIALS - CONFIDENTIAL

AMB MASTERS PRESENTED HIS CREDENTIALS ON DEC. 10. FOLLOWING FORMAL REMARKS, PRESIDENT SUHARTO GAVE A RUNNING MONOLOGUE ON HIS CONCERN OVER INADEQUACIES IN FOOD PRODUCTION, INCOME DISPARITIES, A WEAKLY PARTICIPATORY POLITICAL SYSTEM, COMMITMENT TO ASEAN, AND THAT A HUMAN RIGHTS PROBLEM EXISTS IN INDONESIA. ON THE LAST POINT, HE OUTLINED THAT CONCERN FOR THE MINORITY MUST NOT JEOPARDIZE THE MAJORITY. ALTHOUGH THE INTERVIEW WAS DEEMED OVER, AMB MASTERS WAS ABLE TO COMMENT ON US-INDONESIAN ECONOMIC COOPERATION AND THAT THE INDONESIAN DETAINEE RELEASE PROGRAM WAS WELCOME.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 299224

DETAINEE RELEASE GUIDANCE - CONFIDENTIAL

WE ARE PREPARING DRAFT POLICY AND PRESS GUIDANCE FOR THE ANTICIPATED RELEASE OF 10,000 INDONESIAN DETAINEES ON DEC. 20. THE CARDINAL THEMES ARE TO (A) ESTABLISH A USG POSTURE WHICH DOES NOT SEEK TO EXPLOIT OR ASSUME CREDIT AND (B) RECOGNIZES THAT THE DECISION IS AN INDONESIAN ONE DATING IN PRINCIPLE FROM 1976 AND BASED ON ITS OWN ASSESSMENTS AND POLICIES.

THAILAND

RTG INTEREST IN FEASIBILITY STUDY ON INVESTMENT

THAI CHARGE SUKHO PRESENTED ORAL REQUEST TO EA/TIMBS DEC 9 THAT USG PROVIDE A FEASIBILITY STUDY ON INVESTMENT POSSIBILITIES IN THAILAND. SUKHO REFERRED TO OFFER MADE SEVERAL MONTHS AGO TO FOREIGN MINISTRY OFFICIAL BY MR. HEGINBOTHAM THAT AID OR OPIC COULD PROVIDE SUCH A STUDY. SUKHO TWICE REFERRED TO AMERICAN CONSULTANT ON INVESTMENT FORMERLY ATTACHED TO THAI BOARD OF INVESTMENT. WE ARE STUDYING THIS REQUEST.

EXIM BANK AND SIAM KRAFT PAPER COMPANY - LOU

EXIM BANK HAS DRAFTED A MEMO FOR PRESENTATION TO THE RTG REQUESTING THE LIGHTENING OF THE HEAVY BURDEN PLACED ON SIAM KRAFT PAPER COMPANY BY THE PAYMENT OF THE 3.2 MILLION DOLS FINE IMPOSED. DURING A MEETING WITH SEVERAL EXIM EXECUTIVE OFFICERS ON DEC 12 AMBASSADOR WHITEHOUSE AGREED WITH THE THRUST OF THE MEMO BUT SUGGESTED EXTENSIVE REVISION TO SIMPLIFY THE POINTS EXIM BANK WISHED TO MAKE. A REVISED DRAFT IS PLANNED FOR TRANSMISSION TO EMBASSY BANGKOK PRIOR TO CHRISTMAS IN ORDER THAT THE MEMO, AFTER FURTHER EMBASSY REVIEW, WOULD BE PRESENTED TO THE NEW RTG IN JANUARY PROVIDED ALL COURT ACTION RELATING TO SKPC HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 299224

TERMINATED THEN.

DROUGHT IN NORTHEAST IS SEVERE BUT NOT SERIOUS - LOU

EMBASSY BANGKOK HAS RESURVEYED THE RESULTS OF DROUGHT AFFLICTING NORTHEAST THAILAND AND FINDS SITUATION SPOTTY WITH GOOD TO AVERAGE CROPS BEING HARVESTED NEAR FIELDS WITH YIELDS 50 PERCENT BELOW NORMAL. RICE HARVEST FOR 77-78 EXPECTED TO BE DOWN 800,000 TONS FROM RECORD LEVEL OF 15.8 MILLION TONS IN 76-77 YEAR. RICE EXPORTS IN 1978 EXPECTED TO BE 1.5 MILLION TONS COMPARED TO RECORD BREAKING 2.8 MILLION TONS THIS YEAR. SINCE RICE PRICES EXPECTED TO REMAIN FIRM IN 1978 EARNINGS FROM RICE EXPORTS NOT EXPECTED TO DECLINE AS MUCH AS VOLUME.

DROUGHT CLEARLY AFFECTED THAI CORN EXPORTS IN 1977 AND WILL AFFECT RICE EXPORTS IN 1978 -- BUT NOT SERIOUSLY IN TERMS OF THE BALANCE OF PAYMENTS EFFECT.

MALAYSIA

PRIVATE VISIT TO US OF MALAYSIAN DEPUTY PRIME MINISTER

MALAYSIAN DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD, HIS WIFE, FIVE CHILDREN AND AIDES WILL MAKE A PRIVATE VISIT TO THE UNITED STATES FROM DECEMBER 15-29. NO APPOINTMENTS HAVE BEEN REQUESTED WITH U.S. OFFICIALS. DEPUTY PRIME MINISTER MAHATHIR WILL BE IN WASHINGTON FROM THE EVENING OF DECEMBER 27 THROUGH THE EVENING OF DECEMBER 29. DIPLOMATIC COURTESIES AND DEPARTMENT OF STATE SECURITY HAVE BEEN REQUESTED AND APPROVED.

PRIME MINISTER LEE KUAN YEW VISIT TO THAILAND - CONF
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 299224

PRIME MINISTER LEE WILL VISIT BANGKOK FROM DECEMBER 15TH THROUGH 18TH.

MALAYSIAN LOANS APPROVED BY HUMAN RIGHTS GROUP - CONF

THE INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE RECOMMENDED APPROVAL OF THE PAHAN TENGGARA II NATIONAL EXTENSION LOANS FOR MALAYSIA. IT ALSO RECOMMENDED THAT IN THE COURSE OF OUR CONTINUING DISCUSSIONS WITH THE GOM ON HUMAN RIGHTS ISSUES WE INFORM THEM THAT IN DETERMINING OUR VOTES ON IFI'S WE ARE TAKING INTO ACCOUNT HUMAN RIGHTS CONSIDERATIONS, INCLUDING SUCH THINGS AS MALAYSIAN SECURITY PRACTICES.

SINGAPORE

HELICOPTERS FOR SINGAPORE - LOU

STATE AND DOD HAVE APPROVED THE SALE OFFER OF 30 USED UH-1B HELICOPTERS TO THE GOVERNMENT OF SINGAPORE. THE GOS IS PLEASED WITH THE US RESPONSE AND DESIRES A LETTER OF OFFER AND A DATE TO INSPECT HELICOPTERS.

LATE ITEM - INDONESIA

PL-480, HUMAN RIGHTS AND RICE - CONFIDENTIAL

HIGHEST-LEVEL DEPT ATTENTION WAS DEVOTED TO RESEARCHING AN ACCEPTABLE COMPROMISE WITH INDONESIA ON THE FORM AND LANGUAGE FOR USE OF PL-480 TITLE ONE PROCEEDS/COMMODITIES. RECENT HUMAN RIGHTS LEGISLATION AND THE PROBLEM OF POLITICAL DETAINEES POSED POTENTIAL POLITICAL VOLATILITIES IN INDONESIA AND THE U.S. WE ANTICIPATE THE AGREEMENT WILL BE SIGNED IN JAKARTA ON DEC 15.

CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 299224

AN UNSETTLED PL-480 PROBLEM IS THAT COMMODITY PRICE INCREASES HAVE REDUCED THE OVERALL ANTICIPATED TONNAGE LEVEL TO LESS THAN THE INDONESIAN REQUEST. A GOOD CASE CAN BE MADE THAT A USG COMMITMENT EXISTS FOR A 300,000 TON LEVEL, BUT THE AGENCIES CONCERNED ARE NOT PREPARED TO COMMIT THEMSELVES FINANCIALLY AT THIS TIME. IN ADDITION, IT IS PROBABLE THAT INDONESIAN TENDERS FOLLOWING THIS

AGREEMENT MAY HAVE A MARKED DOWNWARD IMPACT ON QUOTED
RICE PRICES THUS REDUCING THE FUTURE USG BUDGETARY
REQUIREMENT. WE WILL REVIEW THIS MATTER EARLY IN 1978.

IN PREPARATION FOR THE REVIEW, WE HAVE ASKED EMB JAKARTA
FOR AN UPDATE ON INDONESIAN COMMODITY REQUIREMENTS AND
GLOBAL PURCHASE PROJECTIONS, PARTICULARLY RICE, THROUGH
1978. CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE299224
Document Source: CORE
Document Unique ID: 00
Drafter: STAFF
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770467-0604
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771251/aaaabqwx.tel
Line Count: 232
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8f9ae002-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 220616
Secure: OPEN
Status: NATIVE
Subject: WEEKLY STATUS REPORT - EA/TIMBS INDONESIA INDO-PAC LNG DECISION AND SADLI - CONFIDENTIAL
TAGS: ENRG, ECON, SHUM, ID
To: EA POSTS
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8f9ae002-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009